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**MAKING THE COMMISSION TRANSPARENT  
VOLUME 2**

**WORKING PAPER NO. 44  
MYLES MCGREGOR-LOWNDES  
CATHERINE MCDONALD**

**PROGRAM ON NONPROFIT CORPORATIONS  
BRISBANE**

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## INTRODUCTION

In late 1993 the Federal Government required the Industry Commission to inquire into charitable organisations.<sup>1</sup> We have previously raised issues about the scope and nature of the inquiry process.<sup>2</sup> These issues are:

- the appropriateness of the Commission to undertake the inquiry,
- the limited time span given the breadth of the inquiry,
- and the non-explicit disclosure of the intellectual framework and methodology to be employed in the inquiry.

This paper is a continuation of Working Paper No.43 in this series entitled, *Making the Commission Transparent - Volume 1*.<sup>3</sup> That paper summarised and briefly analysed a number of Industry Commission documents obtained by the authors under Freedom of Information. The Commission had claimed that the inquiry process was transparent to the public and the authors have questioned the extent of that transparency. Material obtained under the application can be accessed through the Queensland University of Technology Library at call no. 361.70994/16/vi.<sup>4</sup> This paper comments on documents obtained from the Commission under a further application and as the result of the findings of an appeal in the authors' favour.

## FREEDOM OF INFORMATION APPLICATION AND APPEAL

An application was made under the Freedom of Information Act to the Commission.<sup>5</sup> An appeal was lodged concerning documents that were withheld on various grounds<sup>6</sup> and a second application lodged for access to further documents.<sup>7</sup> The documents discussed in this paper concern the results of these two freedom of information procedures. Unlike the first application, the Commission initially decided that the second application was not in the public interest and refused to waive fees and charges. An appeal against this decision was upheld with fees and charges being remitted. The authors were cautioned that this decision was not to be regarded as a precedent.

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<sup>1</sup> The Inquiry was announced by the Assistant Federal Treasurer on 16 December 1993.

<sup>2</sup> Refer to two previous papers in this series by the authors on the scope of the terms of reference, M. McGregor-Lowndes & C. McDonald, A Note on the Draft Terms of reference of the Industry Commission into 'charitable organisations', Working Paper No.40, Program on Nonprofit Corporations, Queensland University of Technology, Brisbane, 1994 and C. McDonald & McGregor-Lowndes, A Comment on the Industry Commission Issues Paper on Charitable Organisations, Working Paper No.41, Program on Nonprofit Corporations, Queensland University of Technology, Brisbane, 1994.

<sup>3</sup> M. McGregor-Lowndes & C. McDonald, *Making the Commission Transparent - Volume 1*, Working Paper No.43, Program on Nonprofit Corporations, Queensland University of Technology, Brisbane, 1994.

<sup>4</sup> All inquiry submissions and transcripts will also be available in the library.

<sup>5</sup> *Making the Commission Transparent - Volume 1*, *ibid*, at Appendix A.

<sup>6</sup> *Making the Commission Transparent - Volume 1*, *ibid*, at Appendix F.

<sup>7</sup> *Id*.

The letter concerning the success of our initial appeal is to be found at Appendix A of this paper. The letter concerning the outcome of our further request for documents is reproduced in Appendix B. Our appeal of this decision is found in Appendix C. A list of Commission documents together with a document number is to be found at Appendix D. The documents listed in Appendix D have been placed in the Queensland University of Technology Library for public access.<sup>8</sup>

The appeal decision on our initial request has yielded access to many documents that were previously denied. We had sought access to the registration of interest forms that had been sent to the Commission, but in a way which would not be unduly invasive of personal privacy. The object was to gain an insight into what type of person or association was interested in the Inquiry. Two key pieces of research information from these forms were the postcode and services provided.

The Commission has now provided access to altered registration of interest forms with limited information. However they initially refused to provide the postcode. One of the reasons for refusal was:

*Organisations compete in many ways, including sale of services and attraction of donations, volunteers and government funding. If the information contained in the registration of interest form could be linked to particular organisations, it could be used by other persons or organisations to gain a competitive advantage which could reasonably be expected to unreasonably adversely affect business, commercial or financial affairs of the identified organisation (Section 43(1)(c)(i) of the Act refers). This could be done, for example, through another organisation using the information contained in the registration of interest form to identify services they will provide in order to obtain some of the government funding of these services currently going to the organisation which completed the form.*<sup>9</sup>

While accepting that the other reasons in the letter have some basis, this particular reason is odd. Is this the understanding of the Commission of how social welfare organisations gather information about government grants? Information about government grants is publicly available by design. The line of reasoning about grants expressed by the Commission contradicts Federal Government's policy on the matter recently espoused in the Auditor-General's *Best Practice Guide for the Administration of Grants*.<sup>10</sup> That document argues that:

*The first ingredient of a successful grant scheme is a high level of interest from prospective applicants. This means using different kinds of publicity to increase*

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<sup>8</sup> At call no. 361.70994/16/vi.

<sup>9</sup> Letter from Scales to McGregor-Lowndes dated 2 August 1994, refer appendix A and document No.11.

<sup>10</sup> Australia, The Auditor-General, *Best practice for the Administration of Grants*, AGPS, Canberra, 1994 at p.11.

*awareness. Encouraging as many potential eligible applications as possible gives a wide field of possible grants.*<sup>11</sup>

It is also diametrically opposed to the normal culture and practice of the community welfare sector.

There have been approximately 1,700 registration of interest forms completed by individuals and organisations seeking to participate in the Inquiry. We do not propose to permit public access to such forms, but will aggregate and present the information in further working papers.

The Commission's response to our second request for access to documents also contains a noteworthy issue. The Commission had previously disclosed its computer file indexes to us.<sup>12</sup> We requested an undated copy. This was denied on the basis of:

*I have previously provided a copy of the Commission's file index for this inquiry to you. There is no other document listing the details of the files for the Charitable Organisations Inquiry. There is no other document that I can provide to you in response to your Part B paragraph 14, and to that extent I am refusing your request on the basis of section 24A of the Freedom of Information Act 1982 (see my statement of reasons below).*<sup>13</sup>

Section 24A of the Freedom of Information Act 1982 exempts documents that cannot be found after search or do not exist. One would expect that the Commission was still using computers that generated file indexes.<sup>14</sup> After making further inquiries their reply was:

*The content of "INQ-HAGN" is constantly being modified. The directory which existed at the time of dealing with your request and which closely resembles the directory which was supplied to you has, however, been archived so this document continues to exist.*<sup>15</sup>

The file index document has now been received.<sup>16</sup> It is of note that a new file naming system has been implemented with 477 files have numerals instead of acronyms giving an indication of its content.

## **COMMENTS ON INDIVIDUAL ACCESSED DOCUMENTS**

### **Document 12 - Organisations Registered with the Inquiry**

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<sup>11</sup> Id.

<sup>12</sup> Document 9.

<sup>13</sup> Letter from Silver to McGregor-Lowndes, dated 22 June 1994, Appendix B.

<sup>14</sup> Section 17 of the Freedom of Information Act requires the production of written documents from electronic data.

<sup>15</sup> Letter from Silver to McGregor-Lowndes dated 27 July 1994, Appendix B.

<sup>16</sup> Document No.44, Appendix D.

Document 12 is a list of organisations which have registered an expression of interest in the inquiry. There are 490 organisations and 1,118 individuals registered. The Commission has indicated that because of the nature of the expression of interest replies, it is difficult in some cases to distinguish between organisations and individuals. The tables below are constructed from the postcodes noted on the expression of interest forms.

**TABLE 1**  
**All Expression of Interest Records**  
**Division by Postcodes**

<i>State</i>	<i>Capital Environs %</i>	<i>Outside Capital Environs %</i>	<i>Total in Number</i>	<i>No. of interest forms per head of population 1994</i>
New South Wales	46%	54%	552	10,842
Victoria	75%	25%	402	11,086
Queensland	73%	27%	283	10,854
South Australia	90%	10%	91	16,030
Western Australia	85%	15%	124	13,447
Tasmania	77%	33%	35	13,451
Northern Territory	50%	50%	12	13,992
Australian Capital Territory	110%	—	106	2,797
Total	68%	32%	1,605*	10,950

\* Some postcode numerals supplied appear not to correspond with official postcodes.

**TABLE 2**  
**Expressions of Interest by Organisations**  
**Division by Postcodes**

<i>State</i>	<i>Total Number</i>	<i>Interest form reg. as a percentage of charitable organisations*</i>
New South Wales	100	5%
Victoria	103	6%
Queensland	41	4%
South Australia	79	14%
Western Australia	49	8%
Tasmania	47	23%
Northern Territory**	23	27%
Australian Capital Territory	48	32%
Total	490	8%

\* This is a percentage of the Commission Consultant's report of the ABS Business Register's number of charitable organisations, Lyons, M., *Australia's Charitable Organisations*, Industry Commission Consultant's Report, 1994 at p.57.

\*\* The list of organisations with postcodes from the Northern Territory supplied by the Commission and the all expressions of interest list of the Commission do not appear to correspond.

Table 1 indicates that 1,605 expression of interest forms with postcodes had been lodged with the Commission. As would be expected the majority of interest has been from the eastern states of Australia capital city environs. It should be noted that these figures are a rough gauge only as organisations with a significant rural or Australian wide presence may have their administrative office in a capital city or Canberra. Many of the organisations are peak or umbrella in nature as well.

Table 2 indicates that 490 of the 1,605 expressions of interest with postcodes can be identified as organisations. On the Inquiry's consultants figures this represents some 8 per cent of charitable organisations on the ABS Business Register. It is likely that the figure of 6,225 charitable organisations in Australian is a gross underestimate.

### **Documents 13-27 - Information To and From the Commission**

A number of organisations have engaged the Commission in a range of discussions by mail. Most seek further information or give notice of their interest in the inquiry. There are some matters which warrant comment.

The Australian Hotels Association writes:

*A number of our members have raised the issue of the mutuality concept and its application to registered clubs which have developed throughout a number of States in this country.*

*We believe that the taxation benefits now enjoyed by these organisations which may have been originally established on the grounds of delivering a sectional community benefit, in recognition of charitable works or related activities has now evolved in many instances to an extent where these organisations are multi-billion dollar enterprises substantially divorced from their origins.*<sup>17</sup>

As mentioned in our previous papers we believe that this is an issue involving taxation exemptions which the Commission should address.<sup>18</sup>

Another series of letters sought clarification on whether the terms of reference of the inquiry included trusts and foundations. The Commission reply was that both were considered to be within the terms of the inquiry because of Section 4(h) of the terms of reference.<sup>19</sup> The Family Planning Australia Inc requested the Commission to clarify whether it also came within the terms of reference. The Commission replied that:

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<sup>17</sup> Document 15.

<sup>18</sup> McGregor-Lowndes & McDonald, *A Note on the Draft Terms of Reference*, Ibid at p.14.

<sup>19</sup> Documents 16 and 17.



*While family planning is not specifically referred to in the Terms of Reference, this does not mean that this type of service is excluded from the Inquiry as it is obviously impossible to detail all types of welfare services. The more relevant issues (sic) is the extent to which organisations provide this service to non members. If you provide services to other (sic) then you are benevolent and therefore (sic) would appear to fit the definition of a charity.*<sup>20</sup>

We pointed out before the terms of reference were finalised that there would be definitional difficulties with the terms of reference. The Commission's response implies a very interesting definition of "charity" and "benevolence".

Document 19 is a short handwritten note from a Victorian District Girl Guide Support Group:

*Could you please advise us of the situation with regard to holding of funds by charitable organisations. We believe there are to be changes and want to make sure we comply with regulations.*<sup>21</sup>

The Commission's reply was that it was outside their brief and that the writer should contact the Australian Taxation Office.<sup>22</sup> This raises the issue of where small nonprofit organisations can access information about legal, tax and accounting requirements. The Australian Tax Office would not be our first point of reference.

ACOSS in document 20 points out to the Commission the problems of lack of preparation time for submissions. NCOSS and QCOSS in Document 21 raise a number of issues with the Commission including the timing problems of the Inquiry and ability of the Commission to effectively consult with such a diverse group of organisations. The Commission has subsequently extended their timetable to a more realistic program.<sup>23</sup>

Documents 22 and 23 outline a project of the Commission to survey Peak Councils in Australia. In a questionnaire presumably sent to peak organisations (Document 23), a series of questions are posed. These questions make interesting reading in that they encourage speculation as to their purpose. For example, question 3 asks respondents about the impetus for their formation. Was it from the 'grass roots' (definition not given); sponsored by another peak, sponsored by government or sponsored by direct service providers? While the peaks' perceptions of their founding patterns may be interesting, one wonders about the reason for asking the question. Does it, for example, infer that one founding pattern is more 'legitimate' than another?

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<sup>20</sup> Document No.18.

<sup>21</sup> Document 19.

<sup>22</sup> Id.

<sup>23</sup> Industry Commission Circular No.29-94 dated 2 September 1994.

Similar questions may be raised about questions 4, 5, 6 and 7 which ask about legal form, executive membership, member type or status and membership breakdown.<sup>24</sup> That is, what are the reasons driving the questions? Is it to explore the democratic processes of peak organisations? Our speculations are, of course, merely guesses. However, the questionnaire again raises the issue about the intellectual and normative framework guiding the Inquiry.

### **Documents 28-30 are Letters from the Commission to State and Federal Governments.**

The Commission has written to State, Territory and Federal Government Departments seeking information about the levels of grants and subsidies to non-government organisations. They are also seeking other materials such as standard forms of contract, performance indicators and methods of monitoring standards of service delivery. The documentation does not disclose contact with some departments in Queensland that we are aware also are involved with grant programs to the nonprofit sector. For example, the Department of Local Government, Housing and Planning, the Department of Tourism, Sport and Racing, the Department of Employment, Vocational Education, Training and Industrial Relations, the Department of Justice and the Attorney-General and the Queensland Corrective Services Commission appear to have been left out. As some of these organisations are involved in large grants programs which employ different monitoring mechanisms (for example the Department of Local Government, Housing and Planning), their omission (and that perhaps of other state counterparts) may overly constrain the Commission's conclusions.

The replies of these governments have not been disclosed to us in order to protect Commonwealth-State relations. Again, we find this rather strange as the information requested is largely within the public domain. Standard forms of contracts, for example, must exist in multiple forms within the nonprofit sector.

### **Document 41 Form Letter and Questionnaire to State Charity Regulators.**

Each of the State and Territory "charity regulators" were sent a form letter and questionnaire concerning the Inquiry. Responses have not been made available to us on various legal reasons, the main ones being harm to Commonwealth-State relations and prejudicing the supply of further information to the Inquiry. Nor has a draft paper prepared by the Commission on fundraising regulation been disclosed to the authors.

The questionnaire seeks to establish the primary and subordinate legislation governing fundraising in each State. This will be an extensive task for some States as for example New South Wales has several hundred statutory references to charities on its books. It further seeks to ascertain the costs and benefits of charity regulation taking into account such matters as capital and recurrent costs to government, compliance with legislation and annual report filing, complaints monitoring and public

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<sup>24</sup> Document No.23, page 2.

requests.

**Document 42 Performance Benchmarking of Non Government Welfare Organisations. Briefing Paper. Impact Consulting Group and London Economics.**

This paper was prepared in May, 1994 to inform subsequent deliberations about the benchmarking project being undertaken by the consultants. It is a particularly interesting document in that it makes quite clear statements about the purpose of the benchmarking project. For example:

*The need to assess the performance of charities emanates from continuing uncertainty in relation to targeting, cost, and efficiency of the provision of services by charitable organisations.*<sup>25</sup>

The paper proposes a definition of a benchmark and its purposes:

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<sup>25</sup> Document 42, p.1.

*In this study, a benchmark will refer to economists' measures of efficiency. Economic efficiency looks at the relationship between the resources used and the outcome produced.*

*An efficiency measure can be used to identify alternative ways of producing the same outcome with fewer resources - thereby freeing resources to be used elsewhere - or how a greater level of service can be provided with the same resources.<sup>26</sup>*

After giving an overview of techniques which may be applied in the project, the paper makes the following comment:

*The appropriate technique(s) will largely be determined by the quality of data.<sup>27</sup>*

It goes on to comment later that:

*Only those organisations for which a defensible data base can be developed can be included in the benchmark.<sup>28</sup>*

We believe that this may pose a problem of bias in the sample. In previous documents we have commented on the variable and often impoverished nature of financial accounts in the nonprofit sector.<sup>29</sup> It is possible that the consultants' commendable desire for 'quality' and 'defensible' data will lead them to incorporate data from those organisations whose accounting systems are relatively sophisticated or which are similar to those employed in the for-profit sector. We are concerned that many smaller organisations, with less 'defensible' accounting systems, may be omitted.

Finally, despite the original brief that the consultants establish benchmarks for both the efficiency **and** effectiveness of the nonprofit sector, we note that effectiveness has been abandoned.<sup>30</sup> The reasons given reinforce comments previously made by the Program on Nonprofit Corporations.<sup>31</sup> While the dropping of effectiveness is understandable given the conceptual, normative and methodological problems involved, it nevertheless leaves a problem. In the words of the Australian National Audit Office:

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<sup>26</sup> Document No.42, p.2.

<sup>27</sup> Ibid, p.4.

<sup>28</sup> Ibid, p.7.

<sup>29</sup> McGregor-Lowndes, M., McDonald, C. and Dwyer, D. 1993, *Public Fundraising Charities in Queensland*, Working Paper No.14, Program on Nonprofit Corporations, QUT, Brisbane.

<sup>30</sup> Document 42, p.2.

<sup>31</sup> See, for example, McDonald, C., 1993, *The Meaning of Effectiveness*, Working Paper No.32, Program on Nonprofit Corporations, QUT, Brisbane; McDonald, C. and McGregor-Lowndes, M., 1994, *A Comment on the Industry Commission Issues Paper on Charitable Organisations*, Working Paper No.41, Program on Nonprofit Corporations, QUT, Brisbane, p.14.

*Economy is not an end in itself and should not be pursued without regard to the level and quality of output.*<sup>32</sup> (Emphasis added).

### **Document 39 - Drafts of the Issues Paper released in February, 1994.**

We have previously been critical of the Issues Paper released by the Commission in February 1994.<sup>33</sup> We have been granted access to the drafts of that Issues Paper. The Commission made the following comment in relation to the access:

*There are five previous drafts of the Issues Paper for the Charitable Organisations inquiry. You will see from the drafts how the final version of the Issues Paper released to the public evolved through the drafting process. Even though these documents are not endorsed by the Commission, I agree to provide complete access to all five.*

*I have some misgivings in providing access to the drafts of the Issues Paper because I believe, in general, that access to preliminary, contemplative material (particularly where it relates to evolving opinion or hypothesis about future recommendations to Government or contains assertions by participants which are still to be investigated by the Commission) may confuse participants and/or prejudice the future flow of information to the Commission. This would clearly be contrary to the public interest and would be to the detriment of the Commission's inquiry process. However, the Issues Paper drafts cover principally matters of fact or instruction to participants, rather than the developing views of individual Commissioners and Commission staff on policy recommendations to Government. Given this, and the fact that the endorsed version of the Issues paper has been in the public domain for some time, I do not believe that it would (sic) prejudicial to the good conduct of the inquiry to release the five drafts. I would stress, however, that they are preliminary documents and are not endorsed by the Commission.*<sup>34</sup>

**We ask those who might use our commentary to bear the above remarks in mind when reading our comments and especially if they use this information elsewhere.**

Drafts one and two are fairly basic documents of about 10 pages each. Drafts three, four and five are very similar to the final version of the Issues Paper and reflect drafting changes. It is interesting to note that issue five which did not exist in the final version has been missing in all the drafts. All drafts are available for public inspection through the QUT Library.

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<sup>32</sup> Australian National Audit Office, 1994, op.cit., p.28.

<sup>33</sup> McDonald & McGregor-Lowndes, *A Comment on the Industry Commission Issues Paper on Charitable Organisations*, Ibid.

<sup>34</sup> Document 33.

It is the first draft of Issues Paper, written in frank and undiplomatic language which is the most interesting of the drafts. It probably reflects the opinions of an author in the early stages of the Inquiry at the end of October, 1993.<sup>35</sup> It perhaps is best viewed as a record of where some of the Commission staff started their inquiry journey and it will be interesting to see where they end it.

## ISSUE ONE - THE NATURE OF CHARITIES

### Draft One

This draft notes that there is a lack of consensus about definitions and size of the sector. As evidence the draft notes:

*There have been a number of recent attempts by State governments to define for their own jurisdictions the number, relative size and functionality of the sector. These have proved long a costly exercise and have revealed a worrying lack of data on the plethora of organisations which currently exist to provide services, generally with the assistance from government. From a perspective of rational public sector management as well as public accountability, the problems posed by insufficient information on the public record should be addressed as part of the Inquiry's interest in defining the sector.*<sup>36</sup>

The section concludes,

*In particular, the question arises whether the funding of the non government sector should favour large, established and putatively efficient organisations or whether funding can or should be tilted further in the direction of client need and competition through, for example, greater utilisation of vouchers.*<sup>37</sup>

### Draft Two

The second draft omits the above paragraphs and introduces the headings "*size of the sector*" and "*the nature of services*".

### Draft Three

The third draft introduces the heading "*availability of information on services charities provide*". It also begins to include statistics about the size of the sector drawn from the CSV Study<sup>38</sup> and uncited

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<sup>35</sup> This assumption is made from the computer index records which show that this Issues Paper draft was last saved on 21-10-93.

<sup>36</sup> Draft 1, pp.4-5.

<sup>37</sup> Id.

<sup>38</sup> Community Services Victoria, *Welfare as an Industry, A Study of Community Services in Victoria*, Victorian

ABS material.

Drafts Four and Five are similar to the final version.

## **ISSUE TWO - RESOURCING THE SECTOR**

### **Draft One**

This draft notes that *"the sector has considerable resources at its command"*,<sup>39</sup> however levels of altruism appear to be below that of the United States. It notes that the efficiency of fundraising and the roles of volunteers are worthy of comment. It also continues a theme of the first section on small and large organisations and their use by governments.

It then proceeds with a discussion of taxation issues. A point worthy of note is its emphasis on the ancillary business profits of nonprofit organisations. The section notes:

*Also, the current tax regime gives non profit organisations an advantage over organisations established for profit in areas where they are competing directly with each other, eg. in retailing or recycling. Taxing the business profits of charitable organisations might assist in evening up market distortions while not unduly affecting charitable organisations' surplus. In the UK, for example, charities may conduct businesses but only through companies limited by guarantee to ensure minimum distortion to the flow of resources.*<sup>40</sup>

### **Draft Two**

The second draft differs substantially from the omission of taxation issues. The sub headings *Government Funding, Fundraising, Donations, User Fees and Charges and Trusts* are included.

### **Draft Three**

The third draft adds the sub heading volunteers.

Drafts four and five are very similar to the final version.

## **ISSUE 3 - ROLE AND RELATIONSHIPS WITH GOVERNMENTS**

### **Draft One**

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Government Printer, Melbourne, 1992.

<sup>39</sup> Draft One at p.5.

<sup>40</sup> Draft One, p.6.

This heading does not appear in the first draft. The heading "*The Performance of the Sector*" appears instead. This is similar to issue 4 of the final version "*Measuring the Performance of the Charities Sector*". The first draft details how benchmarking and the development of best practice may assist in improving the quality of service to clients.

It also notes that there are a number of issues of "*equity*". These are that Australian geography does not lend itself to an even spread of welfare services nor is the ability to raise funds equitable. The draft paper comments:

*Should the size and direction of governmental support be reassessed with a view to ensuring that community needs are identified and met on a hierarchical basis, especially given the less than fully rational pattern of public support for community organisations.*<sup>41</sup>

## **Draft Two**

The second draft adopts the main heading of the final version. It deals with fundraising regulation and provision of services generally.

## **Draft Three**

The third draft adds the sub headings of the final version

## **ISSUE 4 - MEASURING THE PERFORMANCE OF THE CHARITIES SECTOR**

### **Draft One**

The first draft has the heading "*The Performance of the Sector*" which is discussed above. Draft Two and following have this heading and the text follows closely the final version.

## **ISSUE 5**

The final version of the Issues Paper did not have a fifth issue. None of the drafts reveal a fifth issue either.

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<sup>41</sup> Draft One at p.8.



## ISSUE 6 - PUBLIC ACCOUNTABILITY OF THE SECTOR

### Draft One

The first draft makes some interesting comments on this section.

*If the public supports community based organisations with its donations or through its taxes, it is logical that there be some transparency in their financial accounts and organisational set up. Although there is some information available through the organisation's annual report and the public record maintained under various Commonwealth and State Acts, it has been argued that the public record itself needs to be rationalised and made comprehensive in the manner of recent reforms to the Companies Code.<sup>42</sup>*

### Draft Two

The second draft starts to look more like the final version.

## ISSUE 7 - PEAK BODIES

### Draft One

The first draft makes the following comment:

*The role of peak councils is important for the development of social policy as it is currently undertaken in Australia. Yet the plethora of peak councils results in varying and even contradictory advice from the community sector to government. Since both State and Federal government partially fund many of the peak councils, a question arises whether scope exists for the rationalisation of peak bodies receiving governmental funding with a view to more consistent and representative advice on matters of social policy.<sup>43</sup>*

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<sup>42</sup> Draft One, p.8.

<sup>43</sup> Draft One, at p.9.

**Draft Two**

Draft Two is very close to the final version. The issues of varying advice and rationalisation of peak bodies is omitted.

**Document 43 - Statement of non-salary expenditure dated 21 June 1994.**

This document sets out the non-salary expenditure. We have requested salary expenditure and salary budgets but the Commission have replied that none exist.<sup>44</sup> It is of note that there is no piece of paper which records the budgeted salary expenses of the inquiry. One might draw several conclusions from this fact.

The financial records disclose some categories of expenditure such as:

- \$77,493 has been spent on consultant's fees
- \$3,725 on consultant's travel expenses
- \$8,143 on hire of venues
- \$20,447 on court reporting services
- \$12,589 on advertising
- \$35,547 on domestic fares
- \$21,051 on domestic travel allowances
- \$3,604 on domestic car hire
- \$3,172 on international fares
- \$27,539 on international travel allowances

for a total expenditure of \$266,184 to 21 June, 1994. We were previously advised that the non-salary budget parameter for the inquiry is \$424,000.

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<sup>44</sup> Document 11 at para 4.

**APPENDIX A**

Letter Bill Scales, Head of Industry Commission to Myles McGregor-Lowndes dated 2 August 1994 advising of results of F.O.I. internal review.









































**APPENDIX B**

Letter from Helen Silver, First Assistant Commissioner, Industry Commission dated 22 June 1994 to Myles McGregor-Lowndes.





























Letter from Helen Silver, First Assistant Commissioner, Industry Commission dated 27 July 1994 to Myles McGregor-Lowndes.



Letter from Helen Silver, First Assistant Commissioner, Industry Commission dated 1 August 1994 to Myles McGregor-Lowndes.

**APPENDIX C**

Letter from Myles McGregor-Lowndes to Helen Silver, First Assistant Commissioner, Industry Commission dated 8 August 1994.



Letter from Myles McGregor-Lowndes to Helen Silver, First Assistant Commissioner, Industry Commission dated 23 May 1994.













**APPENDIX D**

List of correspondence and documents referred to in this paper is placed in the Queensland University of Technology library. Its reference number is 361.70994/16/vi.

1. Freedom of information request from Myles McGregor-Lowndes to The Director, Finance and Service Section, Industry Commission dated 16 March 1994.
2. Letter from Director Industry Commission Finance and Services to Myles McGregor-Lowndes dated 29 March 1993.
3. Letter from Helen Silver, First Assistant Commissioner, Industry Commission to Myles McGregor-Lowndes dated 28 April 1993.
4. Letter from Eddie Scuderi, Corrs Chambers Westgarth, Solicitors to Colin Melvin, Manager, Office of Commercial Services, Queensland University of Technology, Queensland University of Technology dated 6 May 1994.
5. Definitional and historical data contract dated 21 December 1993.
6. Human capital of charitable organisations contract dated 21 February 1994.
7. Performance benchmarking of charitable organisations contract undated.
8. Statement of non-salary expenditure dated 13 April 1994.
9. Master file index of the Industry Commission Charitable Organisations Inquiry dated 18 April 1994.
10. Letter Myles McGregor-Lowndes to Helen Silver, First Assistant Commissioner, Industry Commissioner dated 23 May 1994.
11. Letter from Bill Scales, Head of Industry Commission to Myles McGregor-Lowndes dated 2 August 1994 advising of results of F.O.I. internal review.

12. Organisations which have registered an interest in the inquiry with the Industry Commission.
13. Letter from Family Support Services Association of New South Wales (Inc) dated 28 January 1994 to Industry Commission and reply dated 7 February 1994
14. Letter from RSPCA to Industry Commission dated 12 January 1994 and reply dated 18 January 1994.
15. Letters from Australian Hotels Association to Industry Commission dated 19 January and 15 February 1994 and reply dated 1 March 1994.
16. Letter from Sunshine Foundation to Industry Commission dated 3 March 1994 and reply dated 4 March 1994.
17. Letter to Australian Association of Philanthropy undated.
18. Letter from Family Planning Australia Inc to Industry Commission dated 9 February 1994 and reply dated 1 March 1994.
19. Letter from Geelong City District Girl Guide Support Group to Industry Commission dated 16 March 1994 and reply dated 22 March 1994.
20. Letter from ACCOSS to Industry Commission dated 22 December 1994 and reply dated 5 January 1994.
21. Letter from NCOSS to Industry Commission dated 22 December 1993 and reply dated 5 January 1994 and letter from QCOSS dated 23 December 1993 to Industry Commission and reply dated 24 December 1993.
22. Industry Commission request for information to Department of Health Housing and community services dated 9 February 1994 and reply.
23. Questionnaire prepared by Industry Commission to Peak Councils.
24. Letter from Mr L.G. Sellars to Industry Commission dated 5 January 1994.
25. Letter from Life Line Queensland to Industry Commission dated 22 December 1994.
26. Letter from The Lost Dogs' Home to Industry Commission dated 6 January 1994.
27. Letter from Anglican Retirement Villages, Diocese of Sydney, dated 25 January 1994.

28. Letters from Industry Commission to Director-General; Department of Community Services; Department of Health and Community Services; Queensland Health; Tony Cole, Department of Human Services and Health; Disability Services Commission; Western Australia Department of Health; Queensland Division of Community Services Development.
29. Letter from Victorian Office of Fair Trading and Business Affairs to Industry Commission dated 3 January 1994.
30. Pages of Document 7 previously refused access, performance benchmarking of charitable organisations.
31. Letter to external consultants requesting expressions of interest.
32. List of annual reports received by the Commission.
33. Letter from Helen Silver, First Assistant Commissioner, Industry Commission to Myles McGregor-Lowndes dated 22 June 1994.
34. Letter to Helen Silver, First Assistant Commissioner, Industry Commission from Myles McGregor-Lowndes dated 21 July 1994.
35. Letter to Helen Silver, First Assistant Commissioner, Industry Commission from Myles McGregor-Lowndes dated 23 May 1994.
36. Letter from Helen Silver, First Assistant Commissioner, Industry Commission to Myles McGregor-Lowndes dated 27 July 1994.
37. Letter from Helen Silver, First Assistant Commissioner, Industry Commission to Myles McGregor-Lowndes dated 1 August 1994.
38. Letter to Helen Silver, First Assistant Commissioner, Industry Commission from Myles McGregor-Lowndes dated 8 August 1994.
39. Five Drafts of the Issues Paper released in February 1994.
40. AGB McNair Questionnaire and sample list for Human Capital Consultancy.
41. Form letter and questionnaire from Industry Commission to State Charity regulators.
42. Briefing Paper prepared by Performance Benchmarking consultants dated May 1994 and various letters and minutes.



43. Statement on non-salary expenditure dated 21 June 1994.
44. Computer File Index of Industry Commission circa September 1994.